Program/Fiscal Review

Senior Financial Management Conference

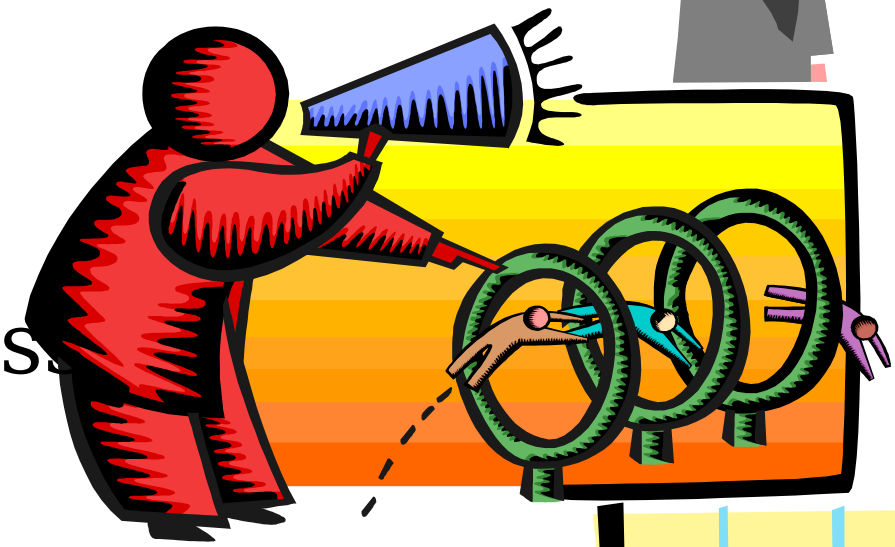
April 26, 2004

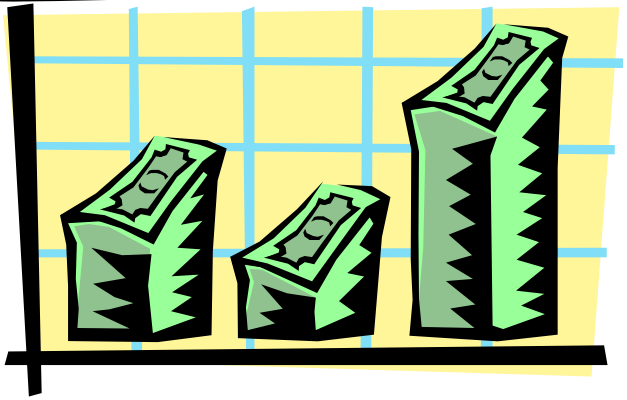
Mr. Charles Cook III
Fiscal Director

Keys to Financial Management

People

Process

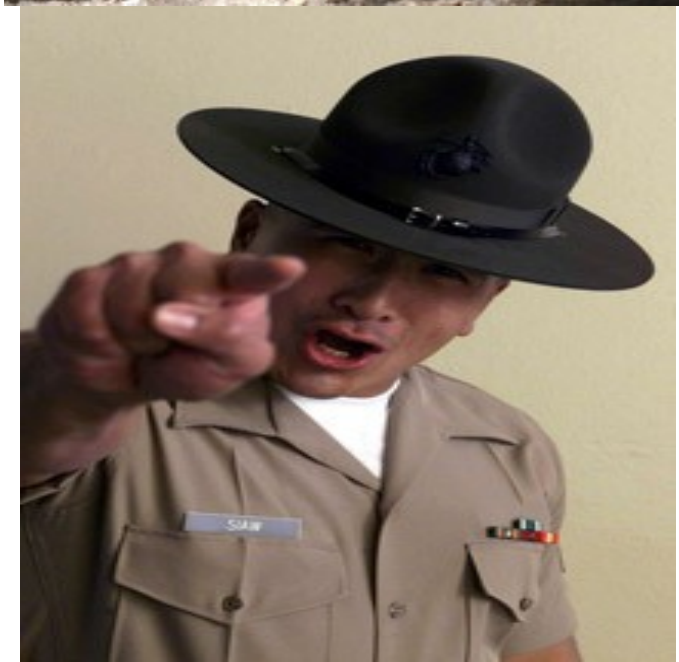




Funding

PEOPLE

- Future of the MOS
- Mil to Civ Conversions
- Community of Interest
- Staffing Challenges
- NSPS



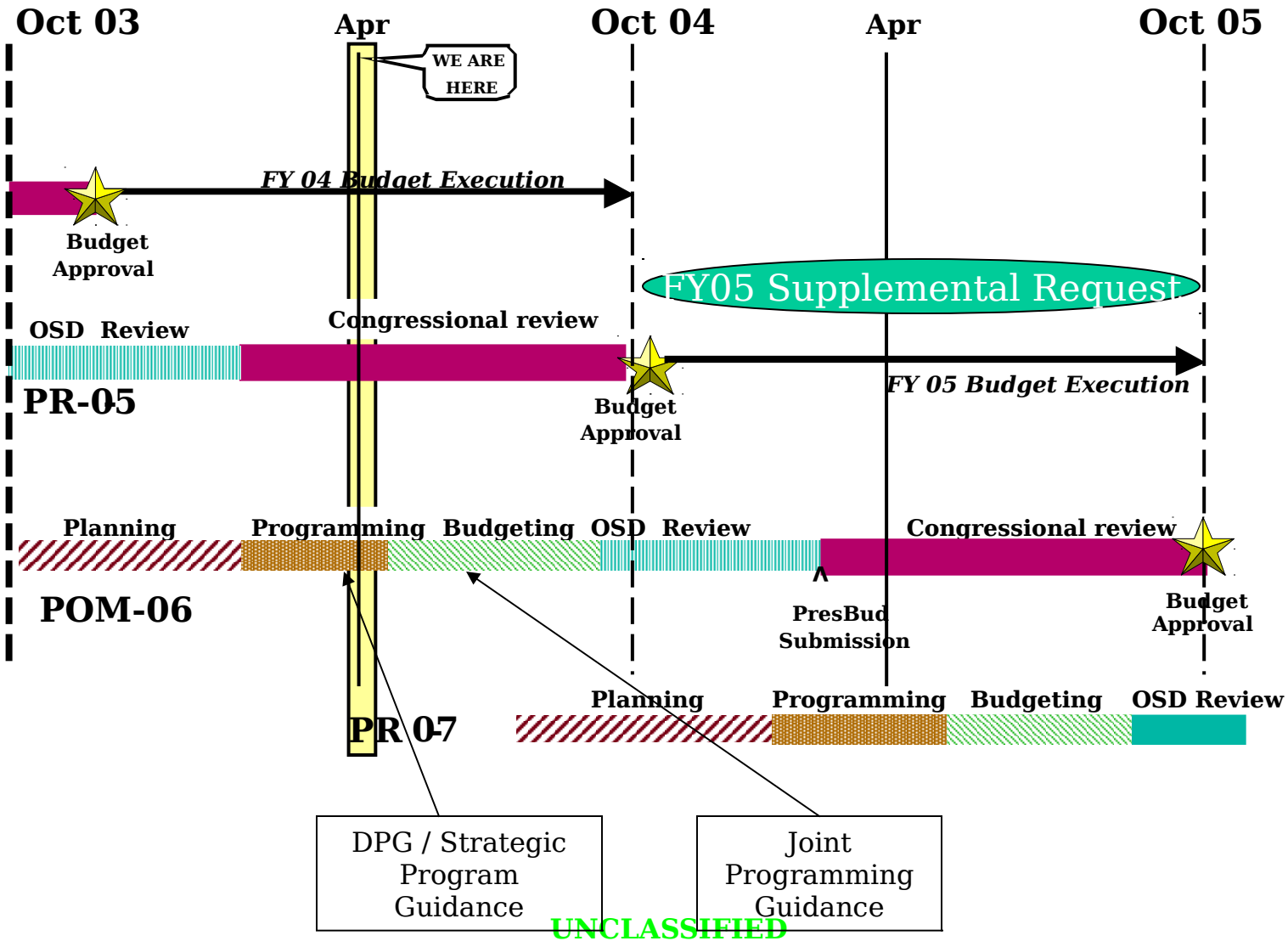
Process

- Business Enterprise
- A-76
- Accounting/Disbursing Issues
  - Managerial Acctg. Consolidation
  - Lejeune Disbursing Consolidation
  - Clean Audit Opinion
  - Performance Metrics
- MID 922 Consolidated Civ. Financial Education and Training

Funding

- FY05 Look Ahe
- Budget Execut
- Contingency C
- POM 06 Revie

Where We Are - Overall



FY2004 Total Contingency Estimates

All Appropriations

($ Millions)							DELTA
APPN	SUPP (Dir Appn)	IFF	BTR	ATR (Requested)	Total Funding	GWOT & Haiti Rqmts	(Funding - Rqmts)
MPMC (1)	753.2	157.0	6.0		**916.2**	951.0	**(34.8)**
OMMC/R (2)	1,215.0	141.9	12.3	9.2	**1,378.4**	1,687.1	**(308.7)**
PMC (3)	123.4	39.8	83.9	151.5	**398.6**	398.6	
PANMC (4)							
APN (5)		12.0	36.7	30.7	**79.4**	79.4	
RDT&E (6)			20.5	5.0	**25.5**	43.5	**(18.0)**
TOTAL	**2,091.6**	**350.7**	**159.4**	**196.4**	**2,798.1**	**3,159.6**	**(361.5)**

(1) Requirements include Haiti $6.0M for 90-day Ops; Activation of 2,000 add'l Reservists.

(2) Added $9.2M for deltoid protectors/protective goggles supporting Operation Respond. Funding includes $12.3M for UUNS / Requirements include C4 $18.6M; UUNS $12.3M; Haiti $9.8M 90-day Ops; and $3.8M increase for Haiti in supplies and equipment per LANT's request. Does not include OMMC associated with IAF/ICDC training/equip, Haiti's LOGCAP, Ops beyond 90 days, one Bn Reserves, and UN

(3) Added $128.8M HMMWV / MTVR armor kits and counter IED supporting Operation Respond. Requirements include $123.4M for Reconstitution/Setting the Force, and $146.4M for UUNS

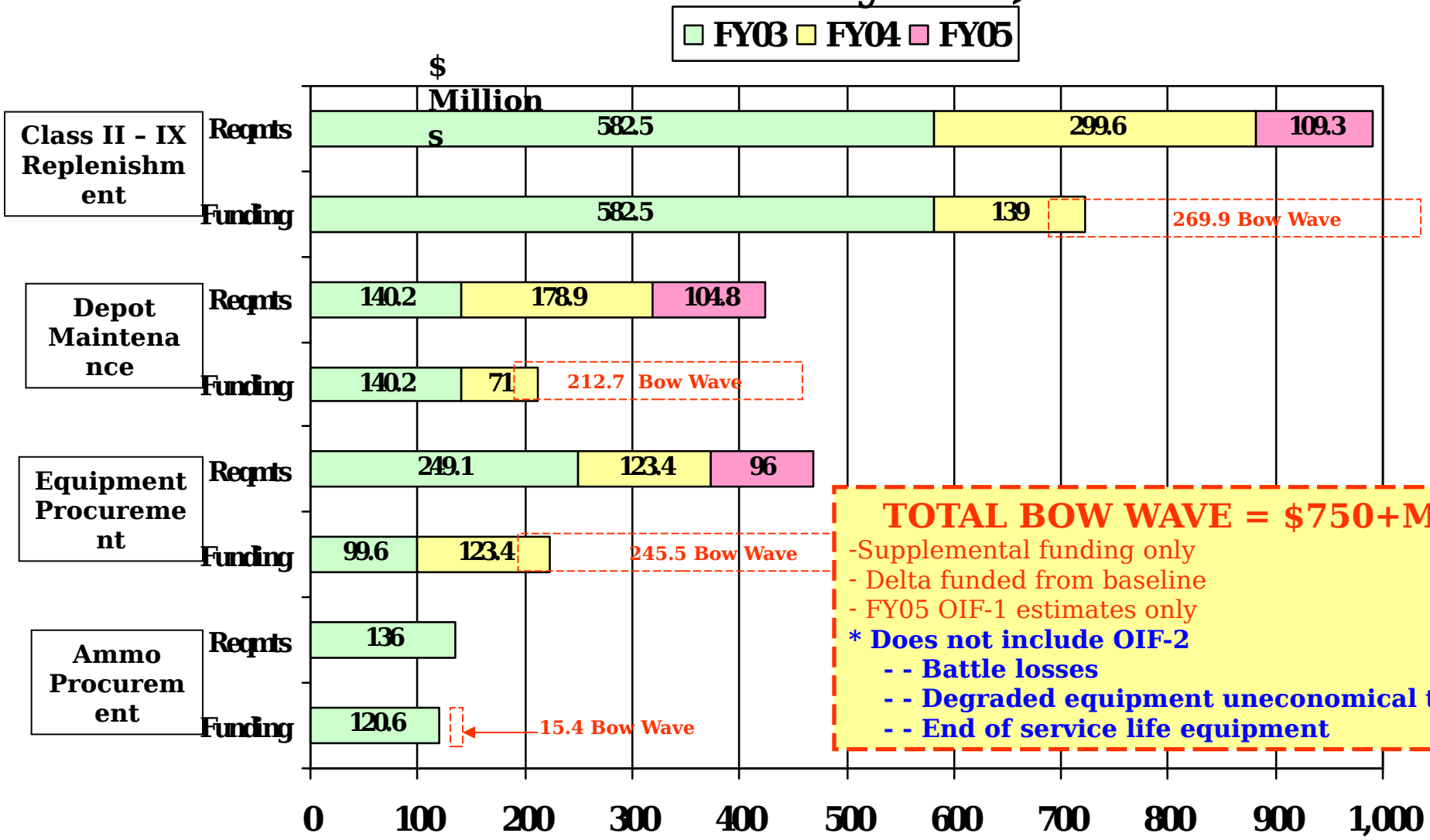
(4) PANMC requirements TBD based on operational expenditure.

(5) $79.4M for Aircraft survivability equipment (ASE).

(6) Added $5.0M to buy and test rapid development of force protection systems supporting Operation Respond. $38.5M for UUNS requireme

*** Does not include DHP, Hurricane Isabel funding, and FY04 Execution Challenges $129.9M**

Reconstitution & Setting the Force Continuum (Bow Wave into FY05 and Beyond)



TOTAL BOW WAVE = $750+M

-Supplemental funding only
- Delta funded from baseline
- FY05 OIF-1 estimates only

*** Does not include OIF-2**
- - **Battle losses**
- - **Degraded equipment uneconomical to r**
- - **End of service life equipment**

FY05 Look Ahea

- Armed Services Committee Mark-up – early May
- Appropriations Committee Mark-up – by July Recess (NLT 1 Aug)
- Conference Action – August / September
- Issues: FY04 Add-on Supplemental
  Force Protection Adequacy (HMMVWs, SAPI)
  End strength (?)
  Reporting/Control of future OIF costs

Field Issues

1. Contingency Costs

   Aviation – FY04 OEF/OIF estimate is $9M above $53M monthly allocation for normal training & ops in MACP

   Ground Forces – running hot (OEF/OIF EAC $574.5M vs. $337.1M received in FY04

2. Base Ops

   Utilities, NMCI, Interstation moves for PPV, burdensharing, foreign currency fluctuations, impact of continuing reductions for congressional mandates

3. GTCCP Improvements

Summary

- FY04 - Many baseline programs decremented to resource emergent force protection and contingency requirements
  - **We are only halfway through FY04**
- FY05 - Supplemental will go to Hill in 2d quarter
  - **Last chance to address constitution and force setting “bow wave” (> $700M)**
- POM 06 – Extremely resource constrained
  - **CMC guidance to ‘eliminate programs not highly effective’**

Questions?

FY2004

Total

($ Millions)	Personnel	Operating Support	Reconstitution (4)	Depot Maintenance (4)	Total Estimates	FY04 SUPP (Dir Appn)	IFF	BTR	ATR	Total Funding Received	Delta (Unfunded)
ONE	2.8	17.8			**20.6**	20.6				**20.6**	**-**
OEF	96.2	362.9			**459.1**	459.1				**459.1**	**-**
OIF (1)	846.0	1,016.1	**139.0**	**71.0**	**2,072.1**	1,611.9	298.9			**1,910.8**	**(161.3)**
OIF Force Protection (2)		438.2			**438.2**		51.8	153.4	196.4	**401.6**	**(36.6)**
Reconstitution / Depot Maintenance			28.0	22.0	**50.0**						**(50.0)**
OIF II Wedge		100.0			**100.0**						**(100.0)**
Sub-Total	**945.0**	**1,935.0**	**167.0**	**93.0**	**3,140.0**	**2,091.6**	**350.7**	**153.4**	**196.4**	**2,792.1**	**(347.9)**
Haiti (1)	6.0	13.6			**19.6**			6.0		**6.0**	**(13.6)**
Sub-total (Current Shortfall)	**951.0**	**1,948.6**	**167.0**	**93.0**	**3,159.6**	**2,091.6**	**350.7**	**159.4**	**196.4**	**2,798.1**	**(361.5)**
Execution Challenges (3)		129.9			**129.9**					**-**	**(129.9)**
Totals	**951.0**	**2,078.5**	**167.0**	**93.0**	**3,289.5**	**2,091.6**	**350.7**	**159.4**	**196.4**	**2,798.1**	**(491.4)**

1. Includes MPMC and OMMC estimates for activation of 2,000 add'l Reservists; Haiti's estimates for 90-day Ops; and $3.8M increase in Haiti for supplies and equipment per LANT's request. Does not include add'l OMMC associated with IAF/ICDC Training; Haiti's LOGCAP, Ops beyond 90 days, one Bn Reserves, and UN services.

2. Added $143M in Force Protection requirements from Operation Respond, includes additional armor kits, IED countermeasures (Sourced from ATR VXX)

3. Includes Defense Health Program, TriCare for Reservists, Strategic Logistics Assessment Management, Tuition Assistance, NMCI

4. Constrained by OMB/OSD

Sources of Funding for Urgent UNS, contingencies, and Baseline offsets

Appn	Item	($ in millions)	Amount	Proponent	Narrative
OMMCR	O&MMCR Asset	5.0	M&RA		Asset due to mobilized reservists
OMMCR	O&MMCR CMC Reserve	2.5	M&RA		Reduces Flexibility for funding emergent requirements
RPMC	RPMC Asset	14.3	M&RA		Asset due to mobilized reservists
MPMC	MPMC Asset	12.0	M&RA		Potential Asset in PCS moves
OMMC	TRANSCOM Pricing Savings	4.0	I&L		Special Assignment Airlift Mission (SAAM) rates-14%
OMMC	Facilities Restoration and Modernization	49.0	I&L		Increase Recap rate from 78 to 94 years
OMMC	Facilities Sustainment	52.9	I&L		Reduces sustainment from 97% to 88%
	SUBTOTAL	**139.7**			
PMC/ PANMC	Various	36.5	Various		Urgent UNS previously approved by MROC
OMMC	Facilities Sustainment	13.5	I&L		Reduces sustainment from 88% to 85%
	SUBTOTAL	**189.7**			
OMMC	Facilities Sustainment	4.6	I&L		Reduces sustainment from 85% to 84%
OMMC	Environmental Projects	20.0	I&L		Defers 50% of planned

Sources of Funding for Urgent UNS, contingencies, and Baseline offsets

(Con't)

Appn	Item	Amount	Proponent	Narrative
PANMC	FUZE, All Types	3.9	PP&O/MCCDC	FY 03
upplemental-Uncommitted Value				
PMC	Bulk Liquid Equipment	2.6	I&L	Reduces Tactical Water Purification Systems and
elays IOC another 6 mos.				
PMC	Training Devices	8.0	TECOM	Distance
arning (27 Suites) CamLej (9);				
				CamPen (9); Okinawa (5); MarForRes
)	PMC Container Family	4.7	I&L	
	Affects deployed units T/E.			
RDT&E	Marine Corps Warfighting Lab	3.0	MCCDC	Cargo Handling exper., sh
ship trans-				
				fer demo, port enhancements,NPS
odeling				
RDT&E	MCRISS	1.0	M&RA	Removes ½ funding for website
evelop.				
RDT&E	Formal Studies	.5	MCCDC	Removes studies in
perational linguistics				
				& C4 transformation of equip. &
anpower				
RDT&E	Pre-Phase A	.5	SYSCOM	Removes appraisal
mpletion of new equip.				
PMC	General Purpose Tools & Test Systems	9.6	I&L	The reduction
ll defer items used for				general
rpose tools and test.				
PMC	Transition Switch Module	8.6	C4	Reduces
rchase FY04 from 43 to 20 sys;				

Dates as of 19 Mar 04